

## WARNING-UNAPPROVED MINUTES

*These minutes have not been reviewed or accepted by the RISLA Board of Directors. This draft is being supplied in order to be in compliance with the State Open Meetings Law. Board approved minutes will be submitted when available.*

The 275<sup>th</sup> meeting of the Rhode Island Student Loan Authority was held on **Friday, December 18, 2009** in the 2<sup>nd</sup> floor Conference Room, 560 Jefferson Boulevard, Warwick, Rhode Island.

### Members in attendance:

Dr. Anthony Santoro  
Mr. John Howell  
Treasurer Caprio  
Dr. Robert J. McKenna

### Members Absent:

Ms. Patti Doyle  
Dr. William Croasdale

### Others in attendance:

Mr. Charles Kelley, Executive Director, RISLA  
Mr. Noel Simpson, RISLA  
Mr. Kevan McAleer, RISLA  
Ms. Gail Walker, RISLA  
Mr. David Souto, RISLA  
Ms. Delia Rodriguez, RISLA

The meeting was opened by Dr. Santoro at 9:31A.M.

Upon a motion duly made by Dr. McKenna and seconded by Mr. Howell, it was unanimously

**VOTED:** to accept the minutes of the November 2009 Board of Directors meeting.

### Chairman's Report:

Dr. Santoro stated that he is trying to put together a joint meeting of RISLA and RIHEAA Boards sometime in January.

## **Executive Director's Report:**

Mr. Kelley stated that the plan for including the number of people utilized at the CPC and RISLA during the busy season has worked very well so far. There is a lot of cross training between the staff so that everyone is able to refer people both ways.

AmeriCorps has funded a \$20,000 grant for the Latino College Access Network working with minorities in Rhode Island and Mr. Kelley attended a college planning meeting at the Woonsocket Community Action Center. Earlier this week an RFP was posted for public tenders for RISLA bonds. RISLA will be meeting with the rating agencies in early January about the fixed rate bond issue. Mr. Palumbo continues to work on the conduit offering, and Mr. Kelley is looking at LIBOR floaters.

Dr. Santoro asked if RISLA is still able to originate loans and RIHEAA to guarantee loans for the federal government. Mr. Kelley stated that Congress has not yet passed the bill to do away with the FFELP program, so no one is quite sure how this will work for next school year – the schools are getting nervous. There was discussion about the education bill being packaged with the healthcare reform bill in Washington.

Kevan McAleer gave an overview of financials through 9/30/2009. They are significantly better than the prior year, and to date net is +\$2.4 million, mostly due to collection activity being in-house. Defaulted loans last year had a 65% drop, which was a huge savings (\$1 million less of bad debts than last year). Mr. Palumbo stated that he is meeting with Carrie and Karen weekly and doing a remarkable job.

## **Item #4: Bond Resolutions**

Mr. Kelley stated that the initial resolution for the RIFEL bond issue would allow a not to exceed \$30 million bond. Please note that the costs have not been inserted yet, will know these at a later date. Dr. Santoro stated that RISLA will not be able to offer private loans without this bond deal.

Upon a motion duly made by Mr. Howell and seconded by Treasurer Caprio, it was unanimously

**VOTED:** to approve moving forward with the RIFEL bond deal. Wording should include that both the Chairman and Executive Director are allowed to approve the final numbers (currently left blank) in proposal.

*Treasurer Caprio excused himself from the meeting due to other commitments.*

## **Item #5: Servicing**

Mr. Kelley stated that negotiations are still ongoing. Mr. Souto stated that eleven companies answered the RFP and 8 of them did on-site demonstrations. It has been narrowed down to three

companies, and we are currently working on the non-compete clauses in RI, lots of details still need to be worked out - still negotiating fees. There is no vote needed at this time, this is just an update of the ongoing process (will address this again at the next Board meeting). Dr. Santoro stated that the next Board meeting should be a joint meeting of the RISLA and RIHEAA Boards.

Mr. Chris Reilly from The Bradford Group spoke about the annual budget for the CPC advertising campaign. As seen on the handout sheet, the CPC has seen almost 30% more people since last year. Dr. Santoro stated that this contract does NOT have to go out to bid, as Media Buy is on the state Master Price list. They are able to do large scale buys and achieve savings and the best deal that way. Mr. Howell asked if TV ads and print ads are the best level of investment – more money should be put into Web advertising. Dr. Santoro asked how we target the Hispanic market, and Mr. Reilly stated that there are planned radio and TV spots in Spanish. Dr. Santoro asked if we should add \$10,000 to budget to target Web content, to have ad placement on sites like The Warwick Beacon, etc.

Upon a motion duly made by Dr. McKenna and seconded by Mr. Howell, it was unanimously

**VOTED:** to add \$10,000 to the advertising budget of the CPC to increase web presence.

Upon a motion duly made by Dr. Croasdale and seconded by Mr. Howell, it was unanimously

**VOTED:** to go into executive session pursuant to RIGL §42-46-5(a)(1).

The open session was reconvened at 11:10 A.M.

Chairman Santoro announced that no votes were taken in the closed session.

Upon a motion and seconded by Mr. Howell, it was unanimously

**VOTED:** to seal the minutes from the executive session.

Adjournment occurred at 11:11 A.M.

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John Howell  
Secretary